



**Sean Kirrane**  
**Managing Partner**

**Phone: (862) 226-1892**  
**Fax: (862) 860-1680**

**1513 NW 189<sup>TH</sup> Street**  
**Edmond, OK 73012**

**November 12, 2020**

Mr. Charles Eldridge  
One Cura Wellness  
The Physicians Hospital in Anadarko  
Stroud Regional Medical Center

RE: Request for Proposal

Dear Mr. Eldridge:

We are pleased to present you with a proposal to provide hospital management and staffing services to The Physicians Hospital in Anadarko and Stroud Regional Medical Center. Arcadia is presenting this proposal to you in direct partnership with Southern Plains Medical Group who will be playing a significant role in servicing these contracts ensuring that the hospitals will receive the very best service available in the market as they work through the bankruptcy reorganization process.

As you are aware, I am uniquely familiar with these facilities given my previous roles as Chief Financial Officer, Chief Executive Officer, and Board Member of First Physicians Capital Group which I joined when they themselves were insolvent owners of these hospitals. My knowledge of these assets, the manner in which they operate, and their specific market dynamics will allow Arcadia to ensure that the value of the assets and their performance is maintained and improved throughout this process.

Arcadia has assembled a team of experts, some of whom were the very same senior people involved in overseeing the operational and clinical turnaround of these very hospitals from 2011 – 2019. In addition, Arcadia has chosen to partner with Southern Plains Medical Group. Southern Plains Medical Group brings with them significant resources in the Oklahoma markets, successfully operates several facilities in these very same markets and bring direct Oklahoma CAH bankruptcy history to the table. Collectively, we bring decades of experience in managing and operating Critical Access Hospitals, particularly distressed and/or insolvent Critical Access Hospitals.

We look forward to embarking on this journey with you. Should you have any questions regarding the attached proposal, please let me know. Thank you for taking the time to review our proposal.

Very truly yours,

*Sean J Kirrane*

Sean J Kirrane  
Managing Partner  
Arcadia Health Partners



**ARCADIA HEALTH PARTNERS**

Southern Plains  
**Medical Group**

### STRATEGICALLY ALIGNED TO MAXIMIZE RESULTS

Arcadia Health Partners, LLC (also referred to as “AHP”) is a healthcare consultancy group that has developed comprehensive, proprietary programs which enable Critical Access Hospitals (CAHs) to achieve long-term financial success by re-organizing their operational structure to address gaps in rural health care within the context of existing regulations. The company has brought together a team of successful entrepreneurs in specialized areas of rural healthcare to form one, comprehensive solution capable of completely reorganizing and optimizing rural health facilities of all types.

The Company has built a “hospital in a box” solution that incorporates every aspect of running a fully optimized rural healthcare facility. From management to staffing, the Hospital in a Box solution combines services into one comprehensive product that greatly reduces costs in comparison to a fragmented model, in which multiple vendors have competing agendas. Under this model, all of the services are tied together and managed toward one strategic goal and vision that is geared toward the success of the facility and needs of the community.

The Company will provide highly qualified staff to the hospitals on a secondment basis. This will allow them to utilize staff according to varying patient volumes and acuity and to share resources with other facilities. Such a staffing solution will reduce the hospitals’ personnel costs and allow them to offer more specialized services that are based on specific market demand.

For the purposes of this proposal and the contracted services, Arcadia has agreed to enter into agreements with Southern Plains Medical Group and Cohesive Healthcare Solutions so that it can also leverage the strength of their resources and platforms in the very same local markets that these hospitals currently operate in. Both companies own and/or manage several rural hospitals and clinics in Oklahoma and other states and have been involved in managing numerous rural hospitals through the bankruptcy process.

Southern Plains Medical Group, of which Mike Schuster is the managing partner, currently employs 103 full time employees, 31 of which are medical providers across multiple facilities and specialties in Chickasha, Anadarko, and Paul’s Valley, Oklahoma. They are currently in the process of re-opening the Paul’s Valley General Hospital in Paul’s Valley, OK after several operators have failed. Southern Plains already has a contract with The Physicians Hospital in Anadarko to provide a Surgical under-arrangement which is a significant portion of the hospital’s annual revenue. From its clinic in Chickasha, Southern Plains currently operates a CLIA and COLA certified laboratory, pharmacy, and X-ray, ultrasound, and CT imaging services. As such, Southern Plains has significant resources at its disposal that can be utilized in the oversight and provision of medical services at TPHA and SRMC. Given the under-arrangement, Southern Plains team has a unique knowledge of TPHA and its medical operations. Mike Schuster and Southern Plains have successfully been serving the medical needs of multiple Oklahoma communities including Anadarko for several decades now.

Cohesive Healthcare led by Godwin Feh is based in Shawnee and currently provides management and staffing services to several Oklahoma rural hospitals. Cohesive currently manages and staffs hospitals in very close geographic proximity to both The Physicians Hospital in Anadarko and Stroud Regional Medical Center. Recently they also managed and provided staffing resources to several Oklahoma hospitals involved in a North Carolina chapter 11 bankruptcy.

With these and Arcadia's other strategic relationships in the local healthcare market AHP can offer The Physicians Hospital in Anadarko and Stroud Regional Medical Center an unparalleled level of service and highly skilled workforce while they work through the bankruptcy reorganization process. Arcadia's team has the knowledge and expertise to support the hospitals through this difficult process and maximize their results while doing so.

Arcadia's Management team is comprised of the following industry experts:

**Sean Kirrane – Chief Executive Officer & Founder:** Mr. Kirrane brings 20+ years of Operational, Financial, Capital Raise and Deployment, Investment and Strategic experience working in various roles with large publicly traded companies. He has held the titles of Investment Officer, Treasurer, Chief Financial Officer, Assistant Vice President, Vice President, President, Chief Executive Officer, and also the Board of Directors at various publicly traded and private companies. During his professional career, he has completed hundreds of capital markets transactions valued well into the billions of dollars. He was also the CEO of First Physicians Capital Group, Inc. (FPCG) from 2013 through 2019. He converted FPCG, a bankrupt and insolvent critical access hospital owner, to a profitable critical access hospital management and staffing company at the time he departed in 2019 to form Arcadia.

**Dr. Michael Carter, CPA, FACHE, PHD – Chief Operating Officer:** Dr. Carter is the CEO and Founder of Professional Management Solutions, an Oklahoma Management Company specialized in rural hospital turnarounds and rural health clinic conversions and management. Dr. Carter is a healthcare industry expert bringing to the position 22 years of experience spanning the full gamut of healthcare management. He is a passionate professional with a strong commitment to delivering healthcare grounded in quality, compassion, integrity, and dignity. He combines these human values with strong financial experience and acumen to ensure that the institutions under his management remain financially able to provide the essential services that their community desperately needs. Dr. Carter has served as CEO of five Critical Access Hospitals, with net annual patient revenues ranging from \$14 to \$29 million. He has overseen the successful conversion of many free-standing clinics to Provider-Based Rural Health Clinics. Dr. Carter has an extensive background in operations, finance, and human resources, having turned around struggling institutions and recruiting and retaining valuable talent in some of the most difficult recruiting markets.

**Joanna Davis, RN, BSN– Chief Clinical Officer:** Ms. Davis is the CEO and Founder of Surgical Executive Management Partners (“SEMP”). SEMP works closely with assisting physicians, hospitals, surgical centers, laboratories, outpatient rehabilitation clinics, and a diverse list of other healthcare organizations improve performance through enhanced strategic and operational approaches. Ms. Davis is a seasoned Registered Nurse with a background of developing, founding, and operating strengths-based frameworks for organizations including: Acute Care Hospitals, Ambulatory Surgery Centers, Critical Access Hospitals, Skilled Nursing Facilities and Post-Acute & Rehabilitation Hospitals; Home Health Care Organizations, Pharmacies, Out-patient Laboratories, Out-patient Imaging Centers, Medical Spas, Physician Practices, Behavioral Health Care Hospitals and Out-patient (IOP/PHP-Adolescents, Adults and Geriatrics) Hospice ; IV Infusion Therapy Clinics, Stem Cell Therapy (In-patient & Outpatient), Physician Practices & Group Practice , Telemedicine, and EMR platforms.

**Dane Johnson – Chief Information Officer & Director of Revenue Cycle:** Mr. Johnson is the Founder and CEO of Praxis Health Group, LLC - a back-office services provider specializing in providing Revenue Cycle and IT for Surgical Hospitals, smaller rural Critical Access Hospitals, and their associated clinics. Praxis has been in business since 2007 and has a heart and passion for the rural communities. Under Mr. Johnson’s leadership Praxis has provided outsourced revenue cycle and IT services to over 25 hospitals and health systems including being the former provider of Revenue Cycle and IT Services to both The Physicians Hospital in Anadarko and Stroud Regional Medical Center under a sub-contract relationship with First Physicians. Praxis provided these services for over 7 years beginning in 2011. Mr. Johnson’s team was responsible for building the revenue cycle and IT platforms for the two hospitals and eventually transitioning these responsibilities to FPCG in 2018 when they assisted FPCG in launching its own platform by allowing them to acquire the majority of their Revenue Cycle department’s personnel from Praxis in exchange for a fee.

**Kathy Kennett, RHIT, CHPS, – Health Information Management Director:** Kathy is a seasoned HIM professional with over 3 decades of experience in HIPAA Privacy, Coding, Records Management and implementing HIM and Privacy Compliance programs for both hospitals and health systems. Most recently and for the past 3 years Kathy worked as the HIM Director for First Physicians Capital Group servicing The Physicians Hospital in Anadarko and Stroud Regional Medical Center. In this role, Kathy was instrumental in designing the HIM process at both of these CAHs right up until her resignation in October 2019. As a result of her recent experience, Kathy is intimately familiar with the operations of these two hospitals.

**Patrick Waters - Environment of Care Director:** Mr. Waters oversees facilities, construction, engineering, and equipment maintenance. He brings over nine years of progressive experience in operations and facilities management. For the past 6 years Mr. Waters has served various roles within hospital operations and more specifically focused on Environment of Care at First Physicians Capital Group under the management of Sean Kirrane. Mr. Waters is well versed in Plant Operations, Facility Construction and Engineering, HVAC and plumbing, and Biomedical Engineering as it specifically relates to CAHs and the needs of the medically complex patients that the facility currently serves.

**Representative Clients:** Over the past several decades, Arcadia’s senior management team has successfully been engaged in rural hospital turnarounds, bankruptcies, as well as managing the operations, back office, and clinical functions on a routine basis for numerous hospitals as well as other types of medical facilities across several states. Arcadia is now bringing together all of that collective experience under one umbrella to create a more comprehensive national solution. A representative list of hospitals that Arcadia’s team has been or is currently engaged with in various capacities is listed below. References will be provided upon request.

### **Oklahoma**

Stroud Regional Medical Center, Stroud OK	The Physicians Hospital in Anadarko, Anadarko, OK
McCurtain County Medical Center, Idabel, OK	Cleveland Area Hospital, Cleveland OK
Memorial Hospital of Texas County, Guymon, OK	Comanche County Hospital Authority, Lawton, OK
Mercy Hospital – Tishomingo, Tishomingo, OK	Pawhuska Hospital, Pawhuska OK
Memorial Hospital and Physicians Clinic, Frederick, OK	Eastern OK Medical Center, Poteau, OK
Carnegie Tri-County Municipal Hospital, Carnegie OK	Jackson County Memorial Hospital, Altus, OK
Harmon Memorial Hospital, Harmon, OK	Harmon Home Health, Harmon, OK
Southern Plains Medical Center, Chickasha, OK	Latimer County General Hospital, Wilburton, OK
Oklahoma Sleep Institute, Oklahoma City, OK	Vantage Imaging Group, Oklahoma City/Tulsa, OK

### **Texas**

Liberty Dayton Regional Medical Center, Liberty, TX	BSA Health System, Amarillo, TX
Sightline Radiology Centers, Houston, TX	Prestonwood Surgery Center, Dallas, TX
Mansfield Surgery Center, Mansfield, TX	Mentis Neuro Health, El Paso and Houston, TX
Orthopedic Surgeons Associates, El Paso, TX	TOPS Surgical Hospital, Houston, TX
Humble Surgical Hospital, Humble TX	St. Michael’s Elite Hospital, Sugar Land, TX
Victory Medical Center, Houston, TX	South Texas Spine Hospital, San Antonio, TX
Sugar Land Surgery Center, Sugarland, TX	
Memorial Hermann Surgery Center & Hospital, Multiple Locations, TX	

### **Kansas**

Patterson Health Center, Anthony, KS

### **Arizona**

Copper Queen Medical Center, Bisbee, AZ	Southeast Arizona Medical Center, Douglass, AZ
Arizona Spine & Joint Hospital, Mesa, AZ	

### **California & Nevada**

Aspen Surgery Center, Walnut Creek, CA	Sequoia Surgical Pavilion, Walnut Creek, CA
Oband Surgery, Beverly Hills, Los Angeles, Tustin, CA & Las Vegas, NV	

### **New Mexico**

Miners Colfax Medical Center, Raton, NM

**Project and Fees**

Based upon the information provided in the initial consultation, AHP has prepared a quote to provide the following services to The Physicians Hospital in Anadarko and Stroud Regional Medical Center. All prices quoted are on a per hospital basis and based upon a standardized scope of service equivalent to the level of service your facilities currently receive. The proposed services and fees are as follows:

**Staffing Services/Contract Labor:** Arcadia will provide temporary staffing for all clinical and non-clinical roles at a rate of cost-plus 75%. Cost is the total cost of employment for personnel to include but not limited to wages, benefits, taxes, and other related employment costs.

**Hospital Operations Management:** Arcadia will provide daily operations and administrative oversight of each hospital in accordance with all applicable laws, regulations, and hospital policies and procedures. Arcadia will appoint a hospital CEO subject to the approval of One Cura and the Hospital Governing Board to manage the facility and all hospital personnel. The CEO shall be responsible for performing all duties and responsibilities customarily performed in this role at a CAH. Arcadia shall be responsible for managing all aspects of operating each hospital subject to appropriate oversight from One Cura and the bankruptcy court.

Fee: \$285,000 per month per hospital

**Revenue Cycle:** Arcadia will be responsible for all coding, billing, and collection activities of each hospital in accordance with best practices for CAHs and in compliance with all hospital policies and procedures, all applicable Medicare and Medicaid rules and regulations, and contractual terms with insurers.

Fee: 7.5% of hospital collections

**Emergency Room Management:** Arcadia will appoint an Emergency Room Manager and a Medical Director (Physician) to oversee each hospital's Emergency Department. Arcadia will provide Physician or Mid-level on call coverage to each hospital 24 hours per day, 7 days per week, 52 weeks per year. Arcadia will ensure that all Mid-level providers are properly supervised by a Physician as per all applicable laws and regulations. Arcadia will ensure that at all times a Physician or appropriately supervised Mid-level provider is available within 20 minutes of being called by the hospital for Emergent Patients presenting in the Emergency Department.

Fee: \$450,000 per month per hospital

**Accounting & Finance:** Arcadia will provide the hospital with a Virtual Chief Financial Officer. Arcadia's finance and accounting team will prepare and maintain the books and records of the hospital in accordance with GAAP accounting principles. Arcadia will perform all general ledger accounting utilizing the hospital's general ledger system and manage the quarterly closing process. Arcadia will perform all cash management functions on behalf of each hospital and perform all customary accounting and finance functions consistent with the operations of a CAH.

Fee: \$85,000 per month per hospital

**Information Technology:** Arcadia will provide each hospital with a Virtual Chief Information Officer. Through this officer, Arcadia will manage the hospital's IT Infrastructure and provide centralized remote IT support with onsite presence as needed. Arcadia will maintain all existing IT contracts and ensure that the hospital's IT infrastructure is maintained according to industry specific best practices. Arcadia will work with facility staff to maintain and when necessary replace (at the hospital's expense) all technology related hardware and software and will serve as each hospital's network administrator.

Fee: \$85,000 per month per hospital

**Human Resources:** Arcadia will provide each facility with a Virtual Director of Human Resources. Through this officer, Arcadia will provide a centralized remote human resources function. Arcadia will be responsible for all functions typically performed by a CAH human resource function such as maintaining an organizational culture, creating, and maintaining the facility organizational charts and job descriptions, recruiting, credentialing, and training.

Fee: \$75,000 per month per hospital

**Supply Chain:** Arcadia will provide a Virtual Supply Chain Manager. Through the Supply Chain Manager, Arcadia will provide centralized management of the hospital's supply chain. The Supply chain manager shall at the hospital's expense maintain an adequate inventory of supplies as necessary to support the patients of the hospital. Arcadia will perform all services customary with CAH Supply chain management including maintaining inventory reports and maintaining appropriate inventory and purchasing controls in accordance with hospital policies. Arcadia shall be responsible for negotiating and maintaining all purchasing contracts and Vendor relationships of the hospital.

Fee: \$35,000 per month per hospital

**Health Information Management:** Arcadia shall appoint a Virtual HIM Manager to maintain the hospital's system of patient records in accordance with hospital policy and all applicable laws and regulations. Arcadia will perform all services consistent with the HIM function of a CAH.

Fee: \$50,000 per month per hospital

**Hospitalist:** Arcadia will provide Physicians and Mid-level Providers to make rounds on the floors and visit all inpatients as appropriate for the acuity level of the patients and consistent with the Med Staff bylaws and hospital protocols. Hospitalists shall be responsible for managing the inpatients of the hospital including designing care and discharge plans.

Fee: \$125,000 per month per hospital

**Lab Management:** Arcadia will appoint a Hospital Lab Manager and Medical Director (Physician) to oversee lab operations at each hospital. Arcadia will maintain all applicable CLIA certifications and any other licensure or accreditations currently in effect. Arcadia will ensure that lab services are available at each hospital 24/7/365 and that the lab is appropriately staffed to provide these services at the hospital's expense.

Fee: \$75,000 per month per hospital



**Pharmacy Management:** Arcadia will appoint a Pharmacy Manager and a licensed Pharmacist to oversee each hospital's pharmacy programs. The Pharmacy Manager and Pharmacist shall provide oversight to the hospital's drug room supervisor. Arcadia will maintain all applicable licensure and certifications required for the performance of pharmacy services at each facility.

Fee: \$55,000 per month per hospital

**Radiology Management:** Arcadia will appoint a Radiology Manager and a Medical Director (Physician) to oversee each hospital's Radiology Department. The Radiology manager and Medical Director shall be responsible for ensuring that the hospital's Radiology Department is maintained in compliance with all applicable regulations and ensure that the radiology department is staffed at the hospital's expense 24/7/365 and available to provide services. Arcadia will manage all external radiology vendors including but not limited to equipment vendors, external Radiology Read vendors, etc.

Fee: \$75,000 per month per hospital

**General Consulting:**

In addition to the fees and services listed above, Arcadia has a diverse group of advisors available to provide additional support or project work. Each advisor has their own billing rate based upon their skills and experience. The rates for our other advisors will fall into the following categories and ranges:

Partners	\$375 - \$425 per hour
Senior Advisor	\$225 - \$350 per hour
Advisor	\$175 per hour

Our fees shall be billed monthly for all services rendered. We will also bill you for costs and expenses incurred on your behalf including but not limited to travel, lodging, meals, mileage, parking, food, delivery and courier fees, administrative fees, photocopy expenses, and other out of pocket expenses that may be incurred over the course of the project. These costs will be billed in the month following the month that they were incurred.